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PURCHASING AND MATERIALS MANAGEMENT IN AFRICA

by

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I. INTRODUCTION

Of the many administrative and management functions which devolved on African governments, following independence, that of purchasing and materials management has been one of the most sorely neglected. For whatever reason, this branch of public administration and management, which is involved in the procurement, reception, inspection, custody and distribution of hundreds of millions of dollars worth of supplies and equipment, has received scant attention from governments or from economic and management experts and advisers.

In many African countries, the duties and responsibilities concerning purchasing and materials management are delegated to the lowest clerical and lower levels in the civil service. Often these duties are regarded by higher authority as lacking in importance and thus unworthy of serious consideration.

A feeling that materials purchased (and purchased almost exclusively with scarce foreign currency resources) are of less value and importance than cash resources, seems to be prevalent in too many quarters. Nowhere is this more so than in those quarters responsible for allocating the funds for procurement, custody and distribution of the materials. Accumulating stocks of materials, many with a limited "shelf life" and repetitive reports of losses through mismanagement and outright carelessness appear to go unheeded, until the situation reaches catastrophic proportions.

It is a paradox of financial administration in the materials fields, that a few thousands of dollars cannot be made available for up-grading, recruiting and training suitable personnel and providing secure and suitable accommodation for supplies and equipment, yet many hundreds of thousands - perhaps millions - of dollars are available for writing-off unconscionable losses of material resources. Whether the "write-off" is a formal act based on audits or is an informal act of deliberate default is quite beside the point. The paradox remains just that.

It is difficult to explain why this branch of public administration should have remained neglected for so long. It is almost totally disregarded by expert surveys, and where it is touched on, there is a noticeable distaste for the subject so that such advice as is given is couched in a language which implies a continued low priority. Yet improvements in materials management, in any or all of its facets, has an immediate and tangible result in savings of national resources. If as a result of better forecasting, less has to be imported; if as a result of better storage and handling, less is destroyed through damage or deterioration; if through efficient purchasing procedures better conditions are obtained, the result is an immediate saving in hard cash, and an improvement in the balance of payments.

Generally, practices and procedures in force in most developing countries were either directly inherited from or were based on those of the former colonial administrations. These old practices and procedures, however, were founded on a solid central administration of the colonial power and this is one of the missing links in the present chain of authority. Other important missing links are (a) the basic idea of what the practices and procedures of the colonial authorities were meant to accomplish, namely, to maintain the established standards of services. They were not designed for, nor were they intended to serve the multifaceted requirements of independent economic development, and (b) the degree of enforcement of the rules and regulations and strict adherence to the practices, which pervaded the colonial service. None of this discipline is applied in the present conditions or, if it is, it is only a token application.

The tragic consequences of this period of neglect are visible in most African countries. Even those whose national economy is strong are not immune from the malaise of gross mismanagement and unacceptable losses of resources in material and equipment.

Determined, and in some instances, drastic steps will be necessary to reverse this situation and to bring order and method into a branch of public administration which can contribute so much to the process of economic development. Proper materials management is an essential element in the search for ways of promoting intra-African trade and, in the current economic climate, of minimizing the effect of inflation.

The first basic requirement for an efficient and economic materials management system is the formulation of national objectives. Based on these national objectives, the next step is to build up and staff an organization capable of attaining the objectives, and then to develop the training and professional competence of every member of the organization. The process of introducing sound concepts into every function in materials management must be gradual, but it need not necessarily be slow. Admittedly, there are insufficient trained personnel and inadequate facilities, but improvements can be made in the utilization of personnel who are trained and physical facilities can be altered to accommodate immediate situations while better facilities are being provided.

All that is required is first, a recognition that the problem as outlined actually exists, and second, the determination to do something about it. What follows is a suggestion as to what can be done.

II. DEVELOPING A SUPPLY POLICY AND ESTABLISHING A MATERIALS MANAGEMENT ORGANIZATION

The first and most important step in any programme of reform is the development and enunciation of supply management policy and objectives. This will include, defining the objectives in precise terms, inter alia, an elaboration of the tasks involved in the objectives, the

degree of priority accorded to its various elements, and an unequivocable allocation of responsibility for their attainment.

The underlying foundation of the objectives should be the basic economic development programme of the country. Whatever the sector covered by economic development plans, each will contain, to a greater or lesser extent, a material or supply component and this component should not be viewed as being separate from the overall supply policy of the nation. It makes no difference what form the politico-economic structure of the country may be. In those countries which follow what is termed as "free enterprise" system, there is a large degree of government control or intervention in the matter of import-export trade and conversely in those countries having a highly concentrated centralized economic structure, there is an element of private enterprise involved, even in government transactions.

Of the points to be considered in defining supply objectives that of "centralization-v-decentralization" is likely to be the most contentious. It is the point on which sectoral interests and specialization are most vociferously argued, almost invariably to the detriment of a sound solution. The special interests of the various sectors of the economy should not be viewed in a competitive sense. Centralization of a materials management operation is not an exercise to reduce services to any one sector of the economy to the benefit of another, but to increase the efficiency of the total service for the benefit of the country.

In some countries a degree of centralization has already taken shape but there are usually so many exceptions and exclusions that much of the cohesion of a centralized structure is lost. In other countries there are interests which are inimical to a truly efficient system and these interests are not inclined to divest themselves of lucrative activities.

In order to clear up some misconceptions as to what is meant by centralization it may be well to define its meaning more specifically. Centralization is the concentration in one body or organization, of the responsibility for interpreting government objectives, for issuing regulations in respect of the objectives and developing procedures for their successful attainment. Concomitantly, it will be responsible for ensuring that the objectives are adhered to and that the regulations and procedures are followed.

Centralization, of course, can be expanded in concept, to embrace all the functions of purchasing and materials management and it is this total concept which most frequently leads to the abandonment of those elements which are sound and efficient. There may be very valid reasons, in a given situation, why the physical aspects of purchasing and materials management should be decentralized. Each situation would require to be analyzed with a view to determining what represents maximum

efficiency and economy. The arguments of specialization have lost much of their force. A panel of specialists can be nominated to provide (individually or collectively) all the expertise necessary for an efficient central materials management operation. It must be remembered that the function of materials management is in itself a speciality. A doctor, an engineer, an architect are specialists, each in his own field, but this specialization does not necessarily imply expertise in the acquisition or management of material resources of the speciality. On the contrary, it is not infrequent that grave losses are incurred simply because the materials management expertise is lacking.

There is no reason why a centralized structure should be less efficient than a decentralized one, nor should it be less honest. Inefficiency and dishonesty are not the natural results of centralization but are rather, the outcome of poor organization and ineffective control. It is not the purpose here to argue the issue of the degree of centralization. As has been said above, this issue can only be settled after an analysis of the total requirements of any given situation. It is however, very strongly suggested that there should be one central point at which government objectives can be evolved and enforced. While the physical aspects of requisition, purchase, storage, reception and distribution may be decentralized, to a greater or lesser degree, the procedures under which these duties are exercised should be centralized.

Other aspects of objectives which should be decided include the stated goals of the government in regard to its purchasing and materials management functions. It might be that the government wishes to emphasize the importance of intra-African trade and to this end may desire to specify the degree to which preference will be given to products from other African countries. Conversely it may be desired to restrict imports from particular areas, in which case the extent to which penalty factors are to be applied against such sources of supply should be given. Again an additional incentive may be applied in favour of indigenous sources of supply, whether or not the material content of the item(s) is indigenous in whole or in part. This factor too, should be given.

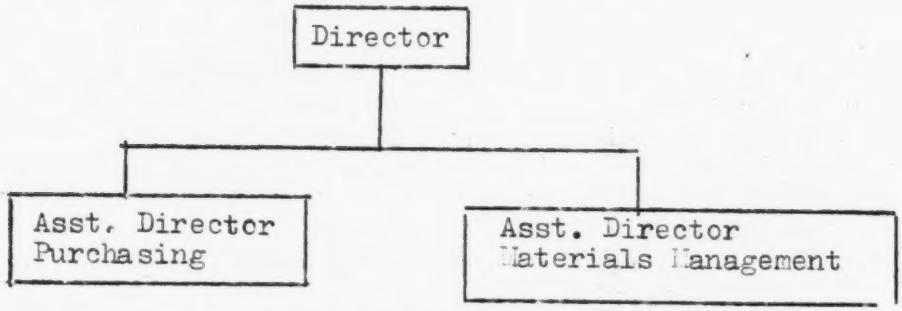
The statement of objectives should be clear and precise. It should be a statement of the broad objectives of the government as distinct from a set of rules and regulations.

The next step is to establish the organization which will be responsible for achieving the objectives. In time, it may be found necessary to expand the objectives or to restrict or dilute some of them. Recommendations in this regard would also be the responsibility of this central body. The organization does not have to be large, but it does require to be vested with full authority for the execution of its functions, and it should be staffed by well-trained and competent personnel.

Purchasing and materials management are two closely interrelated functions in a t tal supply operation, and there are many variants in well established organizational structures. In the formative stages however it is simpler, as well as more efficient, to separate the functions in the organizational structure. It is therefore suggested that the structure take the following form:

Fig. 1

ORGANIZATIONAL CHART OF A PURCHASING AND MATERIALS MANAGEMENT ORGANIZATION



NOTE: The titles are chosen at random and are merely indicative of the function. Appropriate titles within the system prevailing in a country may be substituted.

The Director of the organization should be a person who has a sound practical knowledge of all the aspects of purchasing and materials management. He should have a thorough understanding of the aims and objectives of the government and be well versed in modern management techniques. The assigned position in the government structure should be at a Principal Secretary or Under-Secretary level. The Assistant Director for Purchasing in turn should be a specialist in all aspects of purchasing with a good knowledge of the principles of materials management. The Assistant Director for Materials Management, should likewise be a specialist in that field with a knowledge of the principles and practices of purchasing.

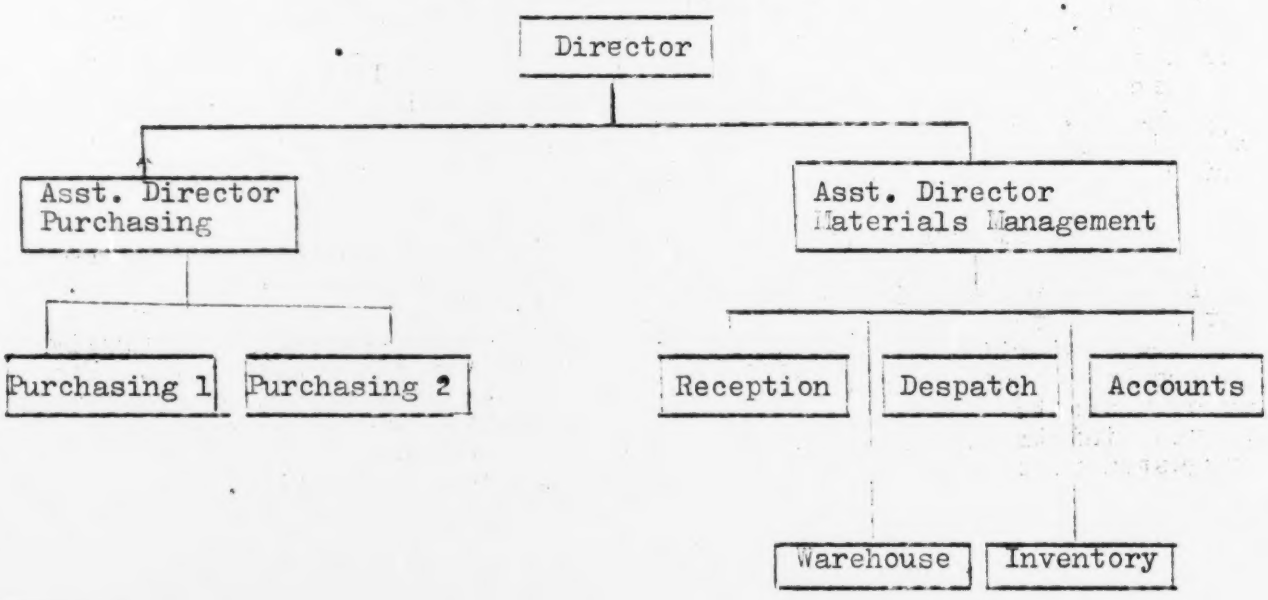
Undoubtedly questions will arise as to which Ministry in Government should be the appropriate parent ministry for this organization. There are various opinions on this subject. Some opinions favour the notion that the Purchasing and Supply Management function is naturally the responsibility of the Ministry of Supply (or its equivalent). Yet others hold that the material assets of the country should be classified as cash assets and consequently the organization should be answerable to the Ministry of Finance. The Ministry of Commerce is another suggested repository of the responsibility for the function.

No hard and fast rule can be laid down. The arguments in favour of one or other of the ministries can be equally valid. There is much to be said for the concept that material assets be regarded in the same light as cash, but conversely it can be held that the Ministry of Supply is more expert in matters relating to supplies. The importance of this subject can best be emphasized, however, by creating a separate department of government as part of the cabinet office of the Prime Minister (or equivalent). This is one of the best means by which sectoral disputes can be avoided or if they do arise, to effect a quick and equitable solution. Whatever the decision arrived at, however, it must be such as will in no way dilute or thwart the authority of the organization to do its work.

The foregoing organizational chart assumes that only the execution of government policy in regard to purchasing and supply management will be centralized. If, however, it is decided that centralization be carried further to include elements of purchasing and materials management at the physical level, the chart merely needs to be expanded to embrace whatever additional functions are intended to be centralized. For example, it may be decided that all items of supplies and equipment which are in common usage in a number of ministries and departments, will be brought under the central programme. To do this it is only necessary to add the required functions under the appropriate branches of the organization. Let us suppose that the decision is to have all common items of supplies and equipment purchased centrally by the organization and that these items will be stored and distributed by the central authority, the appropriate organigram of the organization might look like the following:

Fig. 2

ORGANIZATIONAL CHART OF A CENTRAL PURCHASING AND MATERIALS MANAGEMENT ORGANIZATION



In this chart, two purchasing officers have been added to the staff of the Assistant Director, Purchasing, and the necessary officers for the operation and maintenance of a central warehouse have been placed under the supervision of the Assistant Director, Materials Management. The duties and functions of these posts would, of course, be spelled out in detail in the form of a job description. This same structure would be equally valid in respect of those aspects of the several functions which were decentralized. It is likewise valid, with appropriate expansion, for parastatal organizations engaged in the purchasing and supply management operations in any sector of the economy.

However broad and enlightened the policy of the government may be in respect to purchasing and materials management; however sound the organizational set-up, the success of both depends upon the quality of the personnel in the top managerial positions and the extent of the understanding by the team of its role in the economic life of the country. Simply by establishing an organization, success is not guaranteed if the organization is isolated (or isolates itself) from all the other activities of government. All too frequently decisions are made concerning development projects or concerning the normal "service" activities of the economy without regard to the "supply" implications of the decisions. The Director of the organization should therefore be a part of any planning body which deals with such topics. At a minimum, he should be consulted about the possible effects of proposals such as the timing of material inputs, costing, etc.

A purchasing and materials management organization does not make decisions about who shall get what and when. It is a service body the functions of which are to ensure that its customers receive what they want and when they want it, with maximum efficiency and minimum cost. It may well be, however, that a request to supply particular materials, or makes or models of particular equipment is the subject of a question as to whether the materials or the makes and models are appropriate, given particular circumstances and conditions. All such questions should be fully discussed with the requesting ministry or department in order to resolve any doubts about the efficacy of the transaction. The purchasing and materials management organization must not act in an arbitrary manner in reaching its decisions.

Teamwork and cooperation with its customers is the essence of a successful organization. It must build up confidence in its expertise by the quality of its service and the thoroughness of its cooperation.

III. MATERIALS MANAGEMENT

Materials management is the art of determining what supplies and equipment will be required in the services of a government or organization for specified purposes over a given time; for initiating purchase (or acquisition) action so as to ensure delivery at appropriate times or intervals; for follow-up to ensure that action has been taken; for

the reception, inspection, and safe custody of the supplies following delivery; for maintaining full and complete records of all transactions; for establishing adequate statistical and other records for budgetary purposes; for cataloguing all items comprising the inventory; for timely distribution of requirements to end-users or consumers of the items; for frequent audits of stocks and records and for arrangements for disposal of surplus, obsolescent and/or damaged supplies and equipment.

The importance of this branch of management cannot be too strongly emphasized. In France for example, it is estimated that some 10% of G.N.P. (approximately US$15 billion) is expended on government procurement; in Britain the figure is about 7% or approximately US$6.75 billion and in the U.S.A. some 11% or US$115 billion is attributed to government procurement. On the other hand it is estimated that India spends about 5% of G.N.P. (approximately US$2.5 billion) on public procurement. Comparable statistics for African countries are not available but it is reasonable to assume that the percentage of public procurement to G.N.P. is higher. Some estimates place the figure at 20-25% of G.N.P.

Moreover developing countries are faced with problems not encountered in developing economies in the proportion of purchases which must be made off-shore. That is to say the value of procurement in foreign markets is infinitely greater in the developing countries. Again precise data are not available but the proportion of materials which must be imported may be as high as 85% and in some instances can reach 95% of all procurement.

The difficulties to which this situation gives rise are enormous. From the initial determination of what is required through the identification of the probable source markets and selection of supplies, to the point of reception and acceptance, the purchaser is isolated from the source of supply. He is literary and physically the victim of forces over which he has little or no control and such control as he may have is rendered useless or nearly so by inefficient methods and bureaucratic procedures.

It requires no further elaboration to emphasize the vital importance of materials management in the conservation of national resources. It will seek to achieve economies in several ways:

(a) by reducing and maintaining stockpiles of materials at levels which are necessary for the smooth functioning of government operations;

(b) by consolidation of requirements into economic order quantities;

(c) by rationalization of requirements to limit the variety of makes, models and specifications to be purchased;

(d) by reducing the risk of obsolescence, deterioration or spoilage of stockpiled material;

(e) by maintaining an efficient and economic distribution system.

While there is no gainsaying that developing countries are paying higher prices than necessary for their vital imports, it is equally true that vast sums of money are squandered by over-stocking; by purchase of too wide a selection of narrowly competitive specifications and by fragmented purchasing practices.

In one African country it was estimated that the value of its inventory of a selection of common-users items had been maintained at some US$35 million for a number of years. Yet only 40% of this inventory satisfied requirements at any given time. In other words 60% or about US$21 million represented government resources immobilized.

Another area in which sound materials management principles can be brought into action is in the maintenance and repair of mechanical equipment. At a recent seminar organized by PROD.C in Helsinki, Finland, for nominees from English-speaking Africa, almost all the participants cited the problem of spare parts as being crucial in their national purchasing programmes. Large sections of fleets of public service vehicles were alleged to be immobilized for lack of spare parts. In very few instances were there indications of efficient programmes of preventive maintenance and almost no advance planning of spare parts requirements.

Cash savings are not the only benefits to be expected from sound materials management programmes. Vehicle and machinery operating costs can be reduced; opportunities are afforded for more efficient utilization of capital equipment; there are fewer disruptions to pipeline supplies and the tempo of development projects implementation becomes less liable to interruption. Many of these advantages may not be readily translated into financial terms, but they are nonetheless real.

If we speak in terms of 10% savings and this estimate is extremely conservative - 25% is not an impossible target - the effect would be an infusion of several hundreds of millions of dollars into the exchequer.

IV. PURCHASING

In most African countries the physical act of purchasing is little more than a clerical function devoid of rational planning, lacking all too often even the simplest commercial expertise, frequently undertaken under conditions of pressure of needs, and fragmented to an uneconomical degree. There is a total absence of anything approaching market research or a search for alternative sources of supply.

The purchasing profession as such is considered, in most quarters, as corrupt. Rules and regulations are therefore designed more to contain corruption than to achieve even a modicum of efficient service. There is little incentive for personnel to acquire the expertise in commercial practice which would make them more useful and more efficient. Many major purchasing decisions are taken with scant regard

to their economic impact or to the efficacy of the purchase in terms of the intended purpose.

Many of the problems confronting African countries have a historical basis. Most of Africa was until comparatively recently almost totally isolated from the mainstream of the commercial life of the world. Such trade as was conducted was largely in one direction and the involvement of national personnel in the terms of that trade was marginal.

Patterns for sources of supply were generally well established by the time of independence, and the pressure of maintaining services made it almost impossible to vary the patterns.

This problem has in some cases been perpetuated, and in others compounded by the degree to which external financial assistance is conditional upon material purchases from the source of the assistance. When it is borne in mind that as much as 50% to 60% of a developing country's imports are financed by external aid, the dimensions of the problem are more clearly in focus.

In all of this there is a general feeling that African countries are victims of a pernicious system which is weighted in favour of the seller. They see themselves caught in a vicious cycle of rising prices and declining services, over which they are powerless to exert any influence.

There are two major steps which can be taken to alleviate many of the present problems and eventually to reverse the appearance of helplessness:

1. Eliminate to the maximum degree the fracturing of purchasing power.
2. Establish a professionally motivated procurement service.

Fragmentation of Purchasing Power

In some developing countries quantities of individual items are too small for the purpose of attracting the most favourable terms of purchase. When these quantities are further fragmented between several ministries and dozens of departments and services the effect is even more unfavourable terms. Indeed all too often the quantities are reduced to such a level that resort has to be had to retail trade.

Moreover, this type of decentralization has an inherent tendency to multiplicity of specifications and to the proliferation of makes and models based on the individual preference of the purchaser (or user).

An example of an extremely simple situation is the instance where some fifteen purchasing units in one LDC developed requirements for twelve different styles of "executive office desk". Over 100 units were purchased in a one-year spread, at prices varying by as much as 220% but the maximum order quantity at any one time was two units.

A potential order value of US$500,000 in total for a variety of office equipment was broken down into approximately 300 transactions.

The principle of aggregation of requirements should be applied to every commodity group. Consideration should be given, where appropriate, to bulking the requirements of national security forces with those of other sectors of the economy (or vice versa).

Associated with aggregation of requirements is the equally important principle of reducing to its lowest proportion, the variety of specifications for a given item. Very frequently the variations have a nil utility - they do not add to the usefulness of the article nor to its expected life - but add considerably to its cost.

Professionalism in Procurement

This is probably the most important aspect of purchasing. It is perhaps the single greatest factor mitilating against improved practices and procedures. Much has been made of the dearth of trained personnel yet it has been apparent that many well trained personnel have been so frustrated in government service that they transferred to private sector activities.

In many instances the fracturing of the purchasing function creates a demand for procurement personnel far beyond the real needs of the situation. In others the prevailing rules preclude the application of professional techniques. The general rules and procedures applicable to Central Tender Board activities is an example. Dependency on the services of established overseas agents is yet another aspect of the problem, coupled with a distrust of national officers. Frequency of transfer between departments and ministries also limits the development of expertise and professionalism.

These are situations which can be remedied within a country. There are difficulties of course, not the least of which is the predilection to sectoral or departmental jealousy, both as to allocated funds and the specialist nature of its material needs.

The purchasing profession must be made to be seen as a vital part of a nation's economic growth. It should be such as will attract graduates from other professions such as engineering, law, accountancy and pharmacy or chemistry.

Apart from the obvious steps to improve the conditions of employment and service, attempts should be made to develop national professional bodies which would have a role, in conjuction with education authorities, in designing courses in local polytechnic or commercial colleges; establishing and maintaining the highest ethical professional standards and organizing symposia and seminars at various levels. In addition, it could serve a very important role as a centre of information for the entire national purchasing (and materials management) organization.

V. TRAINING

A proper programme of training is one which is continuous and which aims at attaining the highest standards of instruction. It must be completely in tune with the needs of the country and be a leader in instituting new teaching methods based on research of those needs. Emphasis is placed on the word continuous.

The enormity of the problem of sound purchasing and materials management tends to encourage crash courses of instruction. A standard solution appears to be education by workshop or seminar. Whatever participants may say about a workshop or seminar at its conclusion, the fact remains that given the climate in their respective countries, few would have obtained more than a narrow theoretical approach to their problems and what is even more undesirable, instructions in methods which have little more than distant relevance to the "local" situation. Moreover, it is interesting to note that few of the participants remain for long in their original service or even in the service of government.

Instruction should be built around the policy, regulations and procedures adopted by the Government, and should be specifically orientated to the "supply" conditions prevailing in the country. It should have a bias toward problem solving and this implies that instructors should have a knowledge of what the problems are.

It is also necessary to develop and expand "on the job" training. This aspect of training has been badly neglected probably because the nature of the employment does not attract suitable high calibre employees.

New attempts should be made to induce local polytechnics or good commercial colleges to undertake the development of courses. The courses should be such as will not only serve the needs of existing staff at all levels, but would be open to students from other disciplines who would then become a pool of trained manpower on which the Government (and the private sector) could draw. As the development process continues and economies expand, the demands for trained personnel will grow.

As has been mentioned earlier, one of the ways to ensure the development of a viable training programme is through the establishment of, and active participation by a well-organized professional grouping. In cooperation with the educational authorities and the equivalent of the national Civil Service Commission, such a body can develop levels of competence for the various grades of service, can specify how such competency will be determined and can award diplomas or any other form of official recognition as is appropriate.

VI. THE ECA/SIDA PROJECT ON PURCHASING AND SUPPLY MANAGEMENT IN AFRICA

In recognition of the enormity of the problems confronting African nations as highlighted in the preceding sections, the Economic Commission for Africa, in collaboration with the United Nations Public Administration and Finance Division, and with the generous financial support of the Swedish International Development Authority (SIDA), launched in 1975 a project to bring practical assistance to all African countries for the improvement of their purchasing and supply management services.

Specifically, the objectives of the project were aimed at providing urgently needed advice and assistance in the following critical areas:

(a) support for the objectives and activities of the African Purchasing and Supplies Organization (A.P.S.O.) (see following chapter);

(b) developing and organizing training programmes for procurement and supplies personnel in African countries and eventually institutionalizing the training programme in African institutions;

(c) encouraging African purchasing and supplies institutions to adopt practical arrangements whereby in their official purchasing transactions preference will be given to African sources of supply;

(d) improvement of organizational, operational and institutional arrangements, as well as the improvement of operational techniques for purchasing and supply management, the preparation of appropriate documentation and guideline manuals, and the updating of standard procedures.

The project is staffed by a Senior Adviser and an Associate Adviser, both of whom have undertaken consultancy and investigatory missions to a large number of African countries. Their reports on these missions have been made available to the appropriate authorities.

In addition to the services of the project staff, the project has the possibility of financing the services of experts for specific assignments of up to six months' duration to assist in developing efficient purchasing and supply management organizations and in formulating sound practical training programmes.

The existence of the project and the services it can render have been notified to all member States of ECA on several occasions. Regrettably, and in the prevailing circumstances inexplicably, the response from member States has not been encouraging. This may be due to the fact that in most countries the discipline is held in such poor repute and is consequently accorded a low priority in development plans,

or perhaps to the lack of a central body responsible for its execution, or to a combination of both. Whatever the reasons, the fact remains that the services of the project have been extensively utilized, while the situation in many of the African countries continues to deteriorate.

As has been emphasized elsewhere, improvements in the purchasing and materials management field should not be dependent upon outside stimulus. On the contrary they must be motivated internally and it was toward this end that the ECA/SIDA Project was established and to which it remains dedicated. The project will continue to stimulate national consciousness of the enormity of the situation, the huge loss of scarce resources as a result of lack of official support for efficient procurement and supply management services and the urgency to take corrective measures.

VII. THE AFRICAN PURCHASING AND SUPPLIES ORGANIZATION

The creation of the African Purchasing and Supplies Organization was first envisaged in 1972 when at a seminar sponsored by UNITAR/SIDA/ECA in Nairobi, the participants, from East and Southern Africa, passed a resolution calling for the formation of a professional body of African purchasing and supply managers. Later that same year in a similar seminar in Dakar the earlier resolution was enthusiastically endorsed.

As a result, the Swedish International Development Authority (SIDA) gave a special purpose grant to ECA for an all-African conference to explore the matter further. The conference, held in Dakar in June 1973, was attended by 37 officials representing 19 countries, and it drew up a draft constitution. Also in attendance were delegates from the United Nations Institute for Training and Research (UNITAR); Swedish International Development Authority (SIDA); United Nations Commission on International Trade and Law (UNCITRAL); United Nations Conference on Trade and Development (UNCTAD); United Nations Public Administration and Finance Division; International Bank for Reconstruction and Development (IBRD); and United Nations Development Programme (UNDP).

Such a wide attendance by United Nations bodies engaged in international development underscored the importance they attached to attempts to devise Regional solutions to problems of such a far reaching nature. The decision of the meeting was hailed as a momentous step forward and assured of enthusiastic international support. It was as a part of this support that the ECA/SIDA Project was initiated, to lay the foundations for a strong viable Regional Organization.

For some strange reasons, the initial enthusiasm within Africa was not sustained. Questions arose concerning the composition of the Organization. Some countries understood it to be an organization grouping already existing national professional bodies. Since, except in one country, such bodies did not exist such an understanding was patently erroneous.

Other countries felt that the proposed African Purchasing and Supplies Organization duplicated the functions of the Association of African Trade Promotion Organizations. While both bodies were dedicated to similar goals namely the greater independent economic development of African countries, their methods for achieving these goals were in totally different disciplines so that no duplication existed.

Still other countries felt that A.P.S.O. was something in the nature of a supranational body which would or could, violate national sovereignty or impose regional solutions to national problems, thereby increasing still further the power of giant multi-national commercial organizations. By any stretch of imagination, A.P.S.O. was not conceived to constitute such a body.

A final misunderstanding involved the Arabic-speaking countries of North Africa. The initial seminars organized by UNITAR/SIDA were on a sub-regional basis and it grouped the main language participants. The seminar in Arabic was organized in Beirut and encompassed all Arabic-speaking countries in the Mediterranean basin. This was a purely organizational matter and was unrelated to geographical factors. The problem which this organizational arrangement gave rise to was recognized and the Arabic language has been declared to be an official language of A.P.S.O.

All these misunderstandings have continued to delay signature and ratification of the Constitution of A.P.S.O. A pre-inaugural meeting was held in November 1976 in Tangier when the Constitution was re-examined and updated to take into consideration the new economic situation resulting from increased oil prices, the resultant recession and inflation which swept the industrialized nations in 1974/76. However, the basic aims of the Organization were not affected.

Every effort has been made by ECA to put to rest any misgivings or misunderstandings which may have existed and to encourage member States to sign the Constitution of A.P.S.O. It is hoped that signature by the requisite number of countries, i.e. fifteen member States of ECA, provided that at least one country shall be from each of the sub-regions as defined by ECA, will have been accomplished by 31 January 1978 or soon thereafter so that the inaugural meeting of the Organization can be held in April 1978, and it can begin to function as a viable body for the benefit of all African countries.

The staff of the ECA/SIDA Project will ensure Secretariat services for the Organization until it is fully operational.